

Message Text

LIMITED OFFICIAL USE POSS DUPE

PAGE 01 EC BRU 01573 171805Z

15

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 NSC-05 SS-15 L-03 /073 W
----- 119335

R 171712Z FEB 76

FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC 529
INFO ALL EC CAPITALS 1685
AMEMBASSY LISBON
USMISSION NATO

LIMITED OFFICIAL USE EC BRUSSELS 1573

E.O. 11652: N/A
TAGS: ETRD, PO, EEC
SUBJECT: EC/PORTUGUESE TRADE NEGOTIATIONS

REFS: (A) EC BRUSSELS 1491, (B) 75 EC BRUSSELS 9143

1. BEGIN SUMMARY: THE OPENING ROUND OF THE EC/PORTUGUESE TRADE NEGOTIATIONS WAS CONDUCTED IN A CONSTRUCTIVE ATMOSPHERE AND OUR SOURCES ARE ENCOURAGED. THE NEXT PLENARY SESSION IS SHCEDULED FOR MARCH 15 PRECEDED BY SEVERAL TECHNICAL LEVEL MEETINGS. THE EC FOREIGN MINISTERS COUNCIL WILL TAKE UP THE QUESTION ON APRIL 5-6 AND COMMISSION SOURCES REMAIN HOPEFUL THAN AN AGREEMENT CAN BE ANNOUNCED PRIOR TO THE APRIL 25 PORTUGUESE ELECTIONS. NEGOTIATION OF THE FINANCIAL PROTOCOL WILL TAKE LONGER. END SUMMARY.

2. THE FIRST ROUND OF EC/PORTUGUESE NEGOTIATIONS TO IMPROVE AND EXTEND THE 1973 TRADE AGREEMENT WAS CONCLUDED IN BRUSSELS ON FEBRUARY 13. PERM REP AND EC COMMISSION SOURCES ARE QUITE PLEASED WITH THE OUTCOME. THE FORMAT INCLUDED A RATHER STRAIGHTFORWARD PRESENTATION BY DE KERGORLAY, COMMISSION DEPUTY DIRECTOR GENERAL FOR EXTERNAL RELATIONS, OF THE EC'S

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 01573 171805Z

MANDATE (REFTEL A). THIS WAS FOLLOWED BY A LONG PRESENTATION BY AMBASSADOR DE SIQUEIRA FREIRE WHO HEADED THE PORTUGUESE

DELEGATION. OUR SOURCES INDICATE THAT BY AND LARGE THE PORTUGUESE PRESENTATION WAS FAIRLY UNCRITICAL. EXCEPTIONS PREDICTABLY INCLUDED TEXTILES, WINE AND FISH, IN WHICH AREAS THE PORTUGUESE HOPE IMPROVEMENTS CAN BE MADE.

3. THE NEXT PLENARY SESSION IS SCHEDULED FOR MARCH 15, WHICH WOULD INDICATE THAT PORTUGAL WOULD NOT BE CONSIDERED IN ANY DEPTH IF AT ALL AT THE MARCH 1 AND 2 EC FOREIGN MINISTERS COUNCIL SESSION. IT SHOULD, HOWEVER, BE A MAJOR ITEM AT THE FOREIGN MINISTERS MEETING ON APRIL 5-6. COMMISSION SOURCES ARE HOPEFUL THAT THE NEGOTIATIONS CAN BE COMPLETED BEFORE THE APRIL 25 PORTUGUESE ELECTIONS.

4. PRIOR TO THE MARCH 15 MEETING THERE WILL BE SEVERAL TECHNICAL MEETINGS TO EXAMINE THE ISSUE OF TRANSFERRING CERTAIN INDUSTRIAL PRODUCTS COVERED BY THE 1973 AGREEMENT FROM LIST A (ZERO DUTY BY 1980) TO LIST B (ZERO DUTY BY 1985) AS WELL AS THE PORTUGUESE REQUEST THAT THE PROTECTIVE CLAUSE FOR INFANT INDUSTRIES BE EXTENDED TO INCLUDE ALREADY ESTABLISHED ENTERPRISES.

5. A UK PERM DEL SOURCE CONSIDERS THAT THE MOST IMPORTANT OF THE TECHNICAL MEETINGS WILL BE A TRIANGULAR AFFAIR AT WHICH THE COMMISSION, THE PORTUGUESE AND THE UK WILL BE REPRESENTED TO DISCUSS THE THORNY TEXTILE ISSUE. THIS IS SCHEDULED FOR FEBRUARY 25 OR 26, IMMEDIATELY PRECEDING AN ARTICLE 113 MEETING ON FEBRUARY 27 AT WHICH THE COMMUNITY WILL TAKE ITS FIRST REALLY HARD LOOK AT THE PORTUGUESE PROPOSALS.

6. IN COMMENTING ON THE LIKELIHOOD OF GETTING AGREEMENT BEFORE THE PORTUGUESE ELECTIONS, OUR SOURCES INDICATE IT WILL REALLY DEPEND ON THE PORTUGUESE. IF THEY INSIST ON A MUCH BETTER DEAL FOR WINE, THEY WILL MEET STRONG FRENCH RESISTANCE. IF THEY WANT TO IMPROVE THE SECTION ON SOCIAL SECURITY AND MANPOWER, THE GERMANS ARE APT TO OBJECT. A UK SOURCE HAS TOLD US THAT HMG'S NEGOTIATING LEEWAY IN THE TEXTILE SECTOR IS VERY LIMITED INDEED.

7. ALL THE ABOVE DISCUSSION ON TIMING REFERS ONLY TO THE LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 EC BRU 01573 171805Z

TRADE AGREEMENT PORTIONS OF THE NEGOTIATION WITH PORTUGAL. THE FINANCIAL PROTOCOL WILL TAKE LONGER.

8. ONE SOURCE HAS TOLD US THAT IN A CAUCUS OF THE EC-NINE BETWEEN SESSIONS WITH THE PORTUGUESE ON FEBRUARY 13 DE KERGORLAY RECALLED THAT FOREIGN MINISTER ANTUNES HAD REQUESTED AT THE EC COUNCIL MEETING IN LUXEMBOURG ON OCTOBER 7, 1975 THAT THE COMMON EXTERNAL TARIFF, NOW SCHEDULED TO BE REDUCED TO ZERO FOR PORTUGUESE INDUSTRIAL PRODUCTS BY JULY 1, 1977 BE ELIMINATED BY JANUARY 1, 1976. DE KERGORLAY NOTED THAT

IN OCTOBER THE COMMUNITY REACTION TO THIS HAD BEEN HIGHLY NEGATIVE BUT HE WONDERED IF THE COMMUNITY SHOULD NOT NOW TAKE ANOTHER LOOK AT IT. SINCE THE EC TARIFFS ON PORTUGUESE INDUSTRIAL PRODUCTS WILL DISAPPEAR SO SOON ANYWAY, HE THOUGHT THE LOSS TO THE COMMUNITY IN ECONOMIC TERMS OF ACCELERATING THEIR REMOVAL WOULD BE MINIMAL. FURTHERMORE, IT WOULD BE THE KIND OF GESTURE THAT COULD BE MORE EASILY UNDERSTOOD BY THE PORTUGUESE MAN IN THE STREET THAN SOME OF THE MORE ESOTERIC ITEMS ON THE TABLE. THUS THE COMMUNITYMIGHT GET A RELATIVELY LARGE POLITICAL PAYOFF AT A RELATIVELY LOW COST. THE COMMISSION SERVICES ARE EXAMINING THIS QUESTION.HINTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ECBRU01573
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760059-0859
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760244/aaaabmlu.tel
Line Count: 126
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 EC BRUSSELS 1491, 76 EC BRUSSELS 9143
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 26 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 MAR 2004 by ElyME>; APPROVED <01 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC/PORTUGUESE TRADE NEGOTIATIONS
TAGS: ETRD, PO, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006